

Paid Preparer's Earned Income Credit Checklist

OMB No. 1545-1629

▶ Do not send to the IRS. Keep for your records.For the definitions of the following terms, see **Pub. 596** for the year for which you are completing this form.• **Investment Income** • **Qualifying Child** • **Earned Income****A** Taxpayer's name ▶**B** If joint return, spouse's name ▶**Part I All Taxpayers****1** Year after 2004 for which you are completing this form ▶**2** Is the taxpayer's filing status married filing separately?☐ **Yes** ☐ **No****Next**, if you checked **"Yes"** on line 2, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.**3** Does the taxpayer (and the taxpayer's spouse if filing jointly) have a valid social security number (SSN) that was not issued solely so the taxpayer could apply for or receive a federally funded benefit? (See the instructions before answering.)☐ **Yes** ☐ **No****Next**, if you checked **"No"** on line 3, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.**4** Is the taxpayer filing Form 2555 or Form 2555-EZ (relating to the exclusion of foreign earned income)?☐ **Yes** ☐ **No****Next**, if you checked **"Yes"** on line 4, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.**5a** Was the taxpayer a nonresident alien for any part of the year on line 1?☐ **Yes** ☐ **No****Next**, if you checked **"Yes"** on line 5a, go to line 5b. Otherwise, skip line 5b and go to line 6.**b** Is the taxpayer's filing status married filing jointly?☐ **Yes** ☐ **No****Next**, if you checked **"Yes"** on line 5a and **"No"** on line 5b, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.**6** Is the taxpayer's **investment income** more than the limit that applies to the year on line 1? See Pub. 596 for the limit☐ **Yes** ☐ **No****Next**, if you checked **"Yes"** on line 6, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.**7** Could the taxpayer, or the taxpayer's spouse if filing jointly, be a **qualifying child** of another person for the year on line 1?☐ **Yes** ☐ **No****Next**, if you checked **"Yes"** on line 7, **stop**; the taxpayer **cannot** take the EIC. Otherwise, go to Part II or Part III, whichever applies.

Part II Taxpayers With a Qualifying Child

Caution. If there are two children, complete lines 8 through 14 for one child before going to the next column.

8 Child's name

9 Is the child the taxpayer's son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them?

10 If the child is married, is the taxpayer claiming the child as a dependent? (If the child is not married, check "Yes.")

11 Did the child live with the taxpayer in the United States for over half of the year? (See the instructions before answering.)

12 Was the child (at the end of the year on line 1)—

- Under age 19,
- Under age 24 and a full-time student (see instructions), or
- Any age and permanently and totally disabled?

Next, if you checked "Yes" on lines 9, 10, 11, and 12, the child is the taxpayer's qualifying child; go to line 13a. If you checked "No" on line 9, 10, 11, or 12, the child is not the taxpayer's qualifying child. If there is more than one child, complete lines 8 through 14 for the other child(ren) (but for no more than two qualifying children). If the taxpayer does not have a qualifying child, go to Part III to see if the taxpayer can take the EIC for taxpayers who do not have a qualifying child.

13a Could any other person check "Yes" on lines 9–12 for the child?

Next, if you checked "No" on line 13a, go to line 14. Otherwise, go to line 13b.

b Enter the child's relationship to the other person(s)

c If the tiebreaker rules applied, would the child be treated as the taxpayer's qualifying child? (See the instructions before answering.)

Next, if you checked "Yes" on line 13c, go to line 14. Otherwise, explain to the taxpayer that, if both the taxpayer and the other person(s) claim any of the five tax benefits listed on page 4, the IRS will apply the tiebreaker rules, and the taxpayer's claim to any of the benefits may be disallowed. If the taxpayer wants to claim the EIC based on this child, complete lines 14 and 15. If not and there are no other qualifying children, the taxpayer cannot take the EIC. If there is more than one child, complete lines 8 through 14 for the other child(ren) (but for no more than two qualifying children).

14 Does the qualifying child have a valid SSN? (See the instructions before answering.)

Next, if you checked "No" on line 14, the taxpayer **cannot** take the EIC based on this child and cannot take the EIC for taxpayers who do not have a qualifying child. If there is more than one child, complete lines 8 through 14 for the other child(ren) (but for no more than two qualifying children). If you checked "Yes" on line 14, continue.

15 Are the taxpayer's **earned income** and **adjusted gross income** each less than the limit that applies to the taxpayer for the year on line 1? See Pub. 596 for the limit

Next, if you checked "Yes" on line 15, the taxpayer can take the EIC. Complete **Schedule EIC** and attach it to the taxpayer's return. If there are two qualifying children with valid SSNs, list them on Schedule EIC in the same order as they are listed here. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to see if **Form 8862** must be filed. If you checked "No" on line 15, **stop**; the taxpayer **cannot** take the EIC.

Child 1

Child 2

☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No☐ Don't know☐ Don't know☐ Yes☐ No☐ Yes☐ No☐ Yes☐ No

Part III Taxpayers Without a Qualifying Child

- 16** Was the taxpayer's main home, and the main home of the taxpayer's spouse if filing jointly, in the United States for more than half the year? (Military personnel on extended active duty outside the United States are considered to be living in the United States during that duty period.) ☐ **Yes** ☐ **No**
Next, if you checked "**No**" on line 16, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

- 17** Was the taxpayer, or the taxpayer's spouse if filing jointly, at least age 25 but under age 65 at the end of the year on line 1? ☐ **Yes** ☐ **No**
Next, if you checked "**No**" on line 17, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

- 18** Is the taxpayer, or the taxpayer's spouse if filing jointly, eligible to be claimed as a dependent on anyone else's federal income tax return for the year on line 1? ☐ **Yes** ☐ **No**
Next, if you checked "**Yes**" on line 18, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

- 19** Are the taxpayer's **earned income** and **adjusted gross income** each less than the limit that applies to the taxpayer for the year on line 1? (See Pub. 596 for the limit) ☐ **Yes** ☐ **No**
Next, if you checked "**Yes**" on line 19, the taxpayer can take the EIC. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to find out if **Form 8862** must be filed. If you checked "**No**" on line 19, the taxpayer **cannot** take the EIC.

General Instructions

Do not use this form for a year before 2005. Instead, use the November 2002 version of the form for years after 2001 but before 2005.

Purpose of Form

Paid preparers of federal income tax returns or claims for refund involving the earned income credit (EIC) must meet the due diligence requirements in determining if the taxpayer is eligible for, and the amount of, the EIC. Failure to do so could result in a \$100 penalty for each failure. See Internal Revenue Code section 6695(g).

Due diligence requirements. You will meet the due diligence requirements if **all four** of the following apply.

- 1.** You complete Form 8867 (or your own form as long as it provides the same information as Form 8867) or otherwise record the information necessary to complete Form 8867 in your paper or electronic files based on information provided by the taxpayer or otherwise reasonably obtained.
- 2.** You complete the EIC worksheet(s) in the Form 1040, 1040A, or 1040EZ instructions (or your own worksheet(s) as long as it provides the same information as the 1040, 1040A, or 1040EZ worksheet(s)).
- 3.** You do not know and have no reason to know that any of the information used to determine if the taxpayer is eligible for, and the amount of, the EIC is incorrect. You may not ignore the implications of information furnished to or known by you, and you must make reasonable inquiries if that information appears to be incorrect, inconsistent, or incomplete.
- 4.** You keep the following information for 3 years*:
 - Form 8867 (or your own form or files),

- The EIC worksheet(s) (or your own worksheet(s)), and

- A record of how, when, and from whom the information used to prepare the form and worksheet(s) was obtained.

This information may be kept on paper or electronically in the manner described in Revenue Procedure 97-22 (or later update). Revenue Procedure 97-22 is on page 9 of Internal Revenue Bulletin 1997-13, which is available at www.irs.gov/pub/irs-irb97-13.pdf.

*The 3-year period begins the June 30th following the date you give the return or claim to the taxpayer to sign.

Specific Instructions**Line 2**

If the taxpayer was married at the end of the year, he or she must usually file a joint return to take the EIC. However, if the taxpayer and his or her spouse were not living together at the end of the year, the taxpayer may be eligible to be treated as unmarried. See Pub. 596 for details.

Line 3

For purposes of taking the EIC, a valid SSN is a number issued by the Social Security Administration unless "Not Valid for Employment" is printed on the social security card and the number was issued solely to apply for or receive a federally funded benefit. You may find it useful to look at the social security card.

Line 9

An **adopted child** is treated as the taxpayer's child by blood. An adopted child is a legally adopted child of the taxpayer, or an individual who is lawfully placed with the taxpayer for legal adoption by the taxpayer.

A **descendant** usually refers to a grandchild or great-grandchild of the taxpayer, or to a child, grandchild, or great-grandchild of the taxpayer's brother, sister, stepbrother, or stepsister.

A **foster child** is a child placed with the taxpayer by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Line 10

If the child is married and the child's other parent claimed him or her as a dependent under the special rules for children of divorced or separated parents, check "Yes."

Line 11

Military personnel on extended active duty outside the United States are considered to be living in the United States during that duty period. For details and other exceptions, see Pub. 596.

Line 12

You may be able to treat as a full-time student an individual who was unable to attend classes because of Hurricane Katrina, Hurricane Rita, or Hurricane Wilma. See Pub. 4492.

Line 13c

If you checked "Yes" on line 13a, the child meets the conditions to be a qualifying child of both the taxpayer and at least one other person. However, only one person can take the EIC and other benefits listed below based on that child. The other person(s) cannot take the EIC for people who do not have a qualifying child, but may be able to take the EIC and the other benefits based on a different qualifying child.

The taxpayer and the other person(s) can decide which of them (if otherwise eligible) will take the following tax benefits based on the qualifying child.

- The dependency exemption.
- The child tax credit.
- Head of household filing status.
- The credit for child and dependent care expenses.
- The EIC.

The other person(s) cannot take any of the five tax benefits listed above unless he or she has a different qualifying child. But see the *Caution* on this page.

Tiebreaker rules. If the taxpayer and the other person(s) cannot agree and more than one person claims the EIC or the other tax benefits listed above using the same child, the following rules apply.

- If only one of the persons is the child's parent, the child will be treated as the qualifying child of the parent.

- If both persons are the child's parents, the child will be treated as the qualifying child of the parent with whom the child lived for the longer period of time during the year entered on line 1. If the child lived with each parent for the same amount of time, the child will be treated as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year entered on line 1.

- If none of the persons are the child's parent, the child will be treated as the qualifying child of the taxpayer who had the highest AGI for the year entered on line 1.



To apply the tiebreaker rules if the special rule for divorced or separated parents applies, see *Rule 9* in Pub. 596.

Line 14

See the line 3 instructions for the definition of a valid SSN. If the child does not have a valid SSN because he or she was born and died during the year entered on line 1, check "Yes."

Paperwork Reduction Act Notice. We ask for you to obtain the information on this form to carry out the Internal Revenue laws of the United States. You are required to obtain this information.

You are not required to obtain the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 13 min.; **Learning about the law or the form**, 8 min.; and **Preparing the form**, 24 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. **Do not** send the form to this address. Instead, keep it for your records.

